

Health Insurance Claim Settlement Ratio

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- This presentation will cover the health insurance claim settlement ratio. We will explore what it is, why it matters, and how to use it for informed decisions.


Health Insurance





What IS {CLAIM SETTLEMENT RATIO} CSR?

- Claims Settled vs. Received
CSR is the percentage of claims settled against the total claims received by an insurer.
- Annual Calculation
IRDAI (Insurance Regulatory and Development Authority of India) calculates this ratio annually.
- % Formula Example
If 95 out of 100 claims are settled, the CSR is 95%. This shows insurer reliability.



Factors Influencing Health Insurance.

Rising medical costs have increased health insurance purchases, including family plans, for financial protection and tax benefits. [Health insurance](#) premiums can vary widely, and several factors can drive up their cost. These factors include your age, medical history, lifestyle habits, and even where you live. Understanding what influences your premium can help you make informed decisions when choosing coverage and managing healthcare expenses. This article will explore the key factors that can lead to an increase in health insurance premiums.

Interpreting the CSR: What's a Good Ratio?

1. Above 90% is Good

A CSR over 90% indicates strong reliability and trustworthiness.

2. 85-90% is Average

A CSR in this range requires further evaluation of the insurer.

3. Below 85% is concerning

A CSR below 85% may signal significant claim settlement issues. Consider factors such as company size, claim volume, and market reputation. HDFC Ergo's CSR was 91.4% in FY23, demonstrating strong performance.

Claim Settlement Ratio
95%



CSR and Customer Satisfaction



TRUST BUILDS

HIGHER CSR INCREASES CUSTOMER TRUST AND CONFIDENCE.



EXPERIENCE IMPROVES

FASTER CLAIM SETTLEMENTS ENHANCE THE OVERALL CUSTOMER EXPERIENCE.



CONFIDENCE GROWS

Transparent communication fosters greater confidence with policyholders.



COMPLAINTS ARISE

LOWER CSR OFTEN LEADS TO MORE COMPLAINTS AND POLICY CANCELLATIONS.

COMPANIES WITH A 95 %+ CSR OFTEN ACHIEVE 25% HIGHER CUSTOMER RETENTION RATES, REFLECTING STRONG SATISFACTION.

Limitations of CSR

Underwriting Influence

Stringent underwriting can boost CSR by reducing initial claim numbers.

No Speed Indicator CSR doesn't reflect claim processing speed. A high CSR might still mean slow settlements.

No Amount or Reason

It doesn't show the claim amount or reasons for denial, only the count.

For example, Company A has 98% CSR, but settlements consistently take 60 days. CSR needs to be evaluated with other metrics.

Conclusion: Informed Decision- Making



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Choose an insurer with a reliable claim settlement reputation to secure your health coverage effectively.

CSR is Valuable

It is important, but not the only factor for choosing an insurer.

Consider All Metrics

Evaluate financial strength, customer reviews, and policy features.

Compare Insurers

Always compare multiple insurers before making a purchase decision.

Understand Terms

Thoroughly understand policy terms and conditions before committing.